



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

12300 W Dakota Ave , Suite 110
Lakewood, CO 80228

SENT TO COMPLIANCE REGISTER
of Copies 1 / Date 3.4.08

**NOTICE OF PROBABLE VIOLATION
PROPOSED CIVIL PENALTY
and
PROPOSED COMPLIANCE ORDER**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 4, 2008

Mr. Thomas P. Morgan
Vice President of Operations,
Western Pipeline Group
Colorado Interstate Gas
2 North Nevada Avenue
Colorado Springs, CO 80903

Mr. Daniel B. Martin
Senior Vice President of Operations
El Paso Corporation
1001 Louisiana Street
Houston, TX 77002

CPF 5-2008-1005

Gentlemen:

On November 11, 2006, a 36-inch gas transmission pipeline ("Line 124A") owned by Wyoming Interstate Company, Ltd. ("WIC") and operated by Colorado Interstate Gas Company ("CIG"), both being subsidiaries of El Paso Corporation (collectively, "El Paso"), was struck and ruptured by a bulldozer during the construction of a new pipeline running parallel to Line 124A. The bulldozer operator, employed by Associated Pipeline, LLC ("Associated"), was killed in the ensuing explosion and fire.

The new pipeline was being constructed by Rockies Express Pipeline, LLC ("REX"), as part of the construction of a new 328-mile interstate gas transmission pipeline running from Greasewood, Colorado, to the El Paso Cheyenne Hub approximately 15 miles south of

Cheyenne, Wyoming ("REX Project"). The accident took place on Spread 4 of phase two of the project, approximately ten (10) miles south of Cheyenne, Wyoming, and five (5) miles west of I-25. A representative of the Pipeline and Hazardous Materials Safety Administration ("PHMSA"), pursuant to Chapter 601 of 49 United States Code, conducted an investigation into the cause of the accident. During the course of the investigation, appropriate El Paso manuals and records were reviewed in detail to determine whether all applicable operation and maintenance procedures were in place, whether they were adequate under 49 C.F.R. Part 192 to ensure safety, whether they were being followed at the time of the November 11, 2006 accident. As a result of the investigation, it appears that you have committed the following probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

1. §192.605 Procedural manual for operations, maintenance, and emergencies

Each operator shall include the following in its operating and maintenance plan:

(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least one each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(3) Making construction records, maps, and operating history available to appropriate operating personnel.

El Paso failed to establish and follow an adequate written program for making construction records, maps and operating history available to appropriate operating personnel on Spread 4 of the REX Project as required by §192 605(b)(3).

During the accident investigation, the PHMSA representative confirmed the following information during interviews with the contract line locator and the El Paso Area Manager. An information meeting concerning the upcoming REX construction project between the El Paso Area Manager, two (2) El Paso technicians and the PSI contract line locator was held at El Paso's Cheyenne Compressor Station on August 1, 2006. At that meeting, El Paso failed to provide the contract line locator responsible for the temporary marking of its lines with accurate "as-built" drawings of El Paso's underground facilities. According to PHMSA's investigation and confirmed by El Paso's Internal Investigation, the alignment sheets produced by REX and used by PSI at the time of the accident did not show the point of inflection (PI6) where the line was struck. Accurate drawings, both in hard copy and electronic format, had been produced by

El Paso and were available at the CIG Cheyenne Compressor Station but had not been provided to PSI

The line locator was given a copy of the REX construction alignment sheets on which the general location of El Paso's lines were depicted. However, the REX alignment sheets also included a disclaimer as follows

"MILEPOSTS ARE FOR GRAPHIC PURPOSES AND REFERENCED ENVIRONMENTAL MITIGATION/ RECLAMATION BAND ONLY MILEPOSTS HAVE NO CORRELATION TO ACTUAL SURVEY STATION NUMBERS

DISCLAIMER

UNIVERSAL ENSCO, INC MAKES NO GUARANTEE THAT THIS SURVEY OR MAP CONTAINS COMPLETE OR CONCLUSIVE SUBSURFACE INFORMATION CONTRACTOR SHALL CONTACT THE STATE "ONE CALL" SYSTEM PRIOR TO ANY EXCAVATION "

The line locator utilized these alignment sheets to make his personal field notes so he would know where he had already completed his locating duties. Some of the larger inflection points of the El Paso lines are shown on these drawings but all of them are not.

The line locator was not provided with El Paso's maps or other construction documentation that he needed in order to accurately locate and mark the company's facilities, as required by El Paso's own procedures. Also, the contract line locator did not request the "as-built" drawings, maps or other construction documentation. In fact, he made the point to the PHMSA investigator that had El Paso given him the drawings, he would not have utilized them for locating their pipelines inasmuch as he had no faith that the El Paso as-builts would accurately depict the location of pipelines installed so long ago.

2. §192.605 Procedural manual for operations, maintenance, and emergencies

Each operator shall include the following in its operating and maintenance plan:

(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least one each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and Subpart M of this part.

§192.614 Damage prevention program.

(a) Except for pipelines listed in paragraphs (d) and (e) of this section, each operator of a buried pipeline shall carry out in accordance with this section a written program to prevent damage to that pipeline by excavation activities. For the purpose of this section, "excavation activities" include excavation, blasting, boring, tunneling, backfilling, the removal of above ground structures by either explosive or mechanical means, and other earth moving operations. An operator may perform any of the duties required by paragraph (b) of this section through participation in a public service program, such as a "one-call" system, but such participation does not relieve the operator of responsibility for compliance with this section...

(c) The damage prevention program required by paragraph (a) of this section must, at a minimum...

(4) If the operator has buried pipelines in the area of excavation activity, provide for actual notification of persons who give notice of their intent to excavate of the type of temporary marking to be provided and how to identify the markings.

El Paso failed to follow its procedures for informing REX and Associated of "the requirements of the encroachment and crossing policies and procedures." These procedures are described in El Paso Corporation, Pipeline Operating Procedures Manual, Revision Date: 9/24/2006, Section 502 Safety and Accident Prevention – Encroachment and Crossings. Specifically, subsection 4(b) of Section 502 of the El Paso manual sets forth procedures for ensuring that excavators are informed of El Paso's excavation policies. It states:

"b Company Information to Excavators Excavators who give notice of the intent to excavate, when Company facilities are in the area of excavation activity, shall be advised, as follows

i Excavations shall not be made on Company's right-of-way except in the presence of a designated Company field representative The excavator shall be advised as to how and when the facilities will be marked. .

ii The designated Company field representative shall inform the excavator of this procedure "

El Paso failed to follow its procedures for communicating with the excavator as to how and when El Paso's facilities would be marked, and failed to ensure that all excavation within El Paso's right-of-way would take place only in the presence of a designated El Paso representative The contract line locator stated that he was working approximately one and one half miles to the east of the accident location locating incumbent pipelines at the time of the rupture.

During the investigation, the PHMSA representative interviewed associated personnel as well as the REX inspectors overseeing Associated's work. From these interviews, it is apparent that the REX and Associated personnel interviewed understood that El Paso's lines would be marked per the modified procedures developed by the contract line locator and not in accordance with El Paso's written procedures.

3. **§192.605 Procedural manual for operations, maintenance, and emergencies**

Each operator shall include the following in its operating and maintenance plan:

(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least one each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and Subpart M of this part.

§192.614 Damage prevention program.

(a) Except for pipelines listed in paragraphs (d) and (e) of this section, each operator of a buried pipeline shall carry out in accordance with this section a written program to prevent damage to that pipeline by excavation activities. For the purpose of this section, "excavation activities" include excavation, blasting, boring, tunneling, backfilling, the removal of above ground structures by either explosive or mechanical means, and other earth moving operations. An operator may perform any of the duties required by paragraph (b) of this section through participation in a public service program, such as a "one-call" system, but such participation does not relieve the operator of responsibility for compliance with this section...

(c) The damage prevention program required by paragraph (a) of this section must, at a minimum...

(4) If the operator has buried pipelines in the area of excavation activity, provide for actual notification of persons who give notice of their intent to excavate of the type of temporary marking to be provided and how to identify the markings.

El Paso's written procedure, "Pipeline Operating Procedures Manual, Revision Date: 9/24/2006, Section 502 Safety and Accident Prevention – Encroachment and Crossings, Subsection 6 – Excavation Requirements, subsection f – Crossing and Encroachment Inspection," sets forth the company's requirement that each company location develop criteria and processes for inspecting and evaluating the locating and marking of its lines by El Paso personnel and require close contact with excavators. Subsection 6 states:

"6 Excavation Requirements ..

f Crossing and Encroachment Inspection

Each location shall develop criteria to establish inspections required to maintain the integrity of the pipeline .

Items to consider during an inspection shall include

- i Crossing Agreements/Approved Drawings*
- ii Type and duration of excavation involved*
- iii Proximity to pipeline facilities*
- iv Type of excavating equipment involved*
- vii Past experience with the excavator involved . "*

Field contact with the excavator shall be maintained during the excavation to avoid potential problems and to promptly correct any problems that arise "

El Paso failed to develop appropriate criteria for surveillance inspections required to maintain the integrity of its pipeline for Spread 4 of the REX Project. Specifically, El Paso failed to develop project--specific criteria appropriate for the conditions involved in the REX Project, considering the factors listed in Subsection 6(f) of Section 502.

4. §192.605 Procedural manual for operations, maintenance, and emergencies

Each operator shall include the following in its operating and maintenance plan:

(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least one each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and Subpart M of this part.

§192.613 Continuing Surveillance.

(a) Each operator shall have a procedure for continuing surveillance of its facilities to determine and take appropriate action concerning changes in class location, failures, leakage history, corrosion, substantial changes in cathodic protection requirements, and other unusual operating and maintenance conditions.

El Paso's written procedure, "Pipeline Operating Procedures Manual, Revision Date: 9/24/2006, Section 502 Safety and Accident Prevention – Encroachment and Crossings, Subsection 4 –

Operator Responsibilities,” sets forth the company’s procedures for determining the proper level of surveillance and monitoring of construction activity and marking of lines. It states:

“4 Operator Responsibilities The Area Manager shall ensure that persons who are engaged in excavation activities near Company pipeline facilities are informed of the requirements of the encroachment and crossing policies and procedures Field Supervision shall be responsible and manage locating the pipeline(s) as necessary and shall determine the level of monitoring for the protection and safety of the pipeline

El Paso’s Area Manager failed to determine the proper level of monitoring that was needed to protect the company’s pipeline and excavation personnel. During the PHMSA investigator’s interview, the Area Manager stated that he instructed the PSI contract line locator, who had been through El Paso’s own operator qualification program, to rely upon his own personal knowledge, experience, and visual indications on the ground to determine when he needed to use his electronic pipeline locator to actually locate the pipeline and how frequently to mark the line. Even though El Paso personnel stated that they qualified the contract line locator to perform the covered task of locating El Paso’s incumbent pipelines, the locator failed to locate and mark three points of inflection (PI5, PI6, and PI7) where Line 124A deviated from its normally straight course. It was at one of these points of inflection (PI6) where the accident occurred and the bull dozer operator was killed.

Further, during the interview with the El Paso Area Manager, it became apparent that he was not aware that the contract locator had taken it upon himself to create his own procedures for locating and marking El Paso’s incumbent pipelines. These procedures were inconsistent with El Paso’s detailed procedures.

5. §192.605 Procedural manual for operations, maintenance, and emergencies

Each operator shall include the following in its operating and maintenance plan:

(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least one each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and Subpart M of this part.

§192.614 Damage prevention program.

(a) Except for pipelines listed in paragraphs (d) and (e) of this section, each operator of a buried pipeline shall carry out in accordance with this section a written program to prevent damage to that pipeline by excavation activities. For the purpose of this section, "excavation activities" include excavation, blasting, boring, tunneling, backfilling, the removal of above ground structures by either explosive or mechanical means, and other earth moving operations. An operator may perform any of the duties required by paragraph (b) of this section through participation in a public service program, such as a "one-call" system, but such participation does not relieve the operator of responsibility for compliance with this section...

(c) The damage prevention program required by paragraph (a) of this section must, at a minimum...

(5) Provide for temporary marking of buried pipelines in the area of excavation activity before, as far as practical, the activity begins.

El Paso failed to follow the procedures in Section 304, Subsection 7, of its written damage prevention program during the construction activity associated with Spread 4 of the REX Project by (1) failing to use an electronic line locator to identify the actual location of Line 124A, (2) failing to verify the exact lengths and segments of pipeline to be marked, (3) failing to determine where to place proper signs or stakes, (4) failing to place new temporary markers over the line, and, most importantly, (5) failing to place markers at intervals "wherever necessary to identify the location of the pipeline to reduce the possibility of damage or interference."

El Paso's written procedure, "Pipeline Operating Procedures Manual, Revision Date: 9/24/2006, Section 304, Pipeline, Locating and Marking; Subsection 7," states:

"b Subsection 7 "PROCEDURE

7 1 Upon arriving at the work site, verify the exact length and segment of pipeline to be marked

7 2 Determine where to place signs, flags or stakes..

7 4 Use the pipe locator to locate the underground pipeline(s)

7.5 Use a post driver or hammer to place wooden stakes, steel posts or fiberglass markers directly above the pipeline(s) at an appropriate depth (so as not to hit the pipe)

7 8 Marking Buried Pipelines Except as provided in the 'Exceptions for buried pipelines' in this section, a pipeline warning marker must be placed and maintained as close as practical over each buried pipeline

7 8 2 Wherever necessary to identify the location of the pipeline to reduce the possibility of damage or interference "

The PHMSA investigator arrived at the rupture location just after the natural gas fire from the release went out. No temporary pipeline markers were visible in the area between the

permanent marker at the dirt road to the west of the rupture and the permanent line marker in the fence line to the east of the rupture. The temporary markers normally utilized by the contract line locator were standard yellow flags on metal wires. Even after the fire, the metal wires would have remained had the temporary markers been installed.

During the initial interview with the contract line locator that occurred on the evening of the day of the rupture, the contract line locator stated that he had been through the area where the rupture occurred on 11/7/2006. He stated that he remembered that he had located the line twice between the two permanent markers but he could not remember exactly where. Because of the statements made by the contract locator and because there was no evidence that temporary markers were installed in the area between the permanent markers, the PHMSA investigator deduced that the contract line locator thought the WIC line was parallel to the new construction right-of-way. Per the contract locator's modified line locating procedures, he apparently believed that he didn't need to use his electronic locator to continuously locate the line between the two permanent line markers.

6. §192.605 Procedural manual for operations, maintenance, and emergencies

Each operator shall include the following in its operating and maintenance plan:

(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least one each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and Subpart M of this part.

§192.613 Continuing Surveillance.

(a) Each operator shall have a procedure for continuing surveillance of its facilities to determine and take appropriate action concerning changes in class location, failures, leakage history, corrosion, substantial changes in cathodic protection requirements, and other unusual operating and maintenance conditions.

El Paso's written procedure, "Pipeline Operating Procedures Manual, Revision Date: 9/24/2006, Section 502 Safety and Accident Prevention – Encroachment and Crossings," sets forth procedures to require all marking jobs to be evaluated based upon the criteria set forth above. Subsection 6(f) states:

“Based on criteria developed, each marking job shall be evaluated, and where appropriate, an inspection schedule shall be established for an excavation project . A record of the inspections shall be maintained ”

El Paso failed to evaluate each marking job performed by PSI in accordance with the company’s inspection criteria and to maintain records of all such inspections. PHMSA’s investigation did not reveal any documentation of evaluations of “marking jobs” by the contract line locator for the duration of the REX construction on Spread 4.

7. §192.605 Procedural manual for operations, maintenance, and emergencies

Each operator shall include the following in its operating and maintenance plan:

(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least one each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and Subpart M of this part.

§192.613 Continuing Surveillance.

(a) Each operator shall have a procedure for continuing surveillance of its facilities to determine and take appropriate action concerning changes in class location, failures, leakage history, corrosion, substantial changes in cathodic protection requirements, and other unusual operating and maintenance conditions.

El Paso failed to take “appropriate action” as required by §192.613, to deal with unusual operating conditions involving construction of the REX Project. Beginning as early as August 3, 2006 and continuing until the rupture on November 11, 2006, there were recurring encroachments of El Paso’s right-of-way by REX’s construction crew. According to the line locator’s weekly reports there were at least 12 incidents between August 3, 2006, and the date of the failure where the contract line locator had identified unauthorized encroachments by Associated onto El Paso’s right-of-way. In each instance, the contract line locator had required the contractor to stay off the right-of-way or stop work until the line could be marked. The El Paso Area Manager stated that he received the contract line locator’s daily reports in a weekly

e-mail Therefore, he was aware of the repeated unauthorized encroachments over El Paso's pipelines but failed to take appropriate action to reduce confusion, improve coordination, and protect persons working in the vicinity of such unusual operating conditions.

8. §192.605 Procedural manual for operations, maintenance, and emergencies

Each operator shall include the following in its operating and maintenance plan:

(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least one each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

(c) Abnormal operation. For transmission lines, the manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded:

(1) Responding to, investigating, and correcting the cause of:

(v) Any other foreseeable malfunction of a component, deviation from normal operation, or personnel error which may result in a hazard to persons or property.

El Paso failed to establish and follow procedures for internal compliance to ensure that its personnel were adhering to the company's policies and procedures to respond to abnormal operations, specifically deviation from normal operation and personnel error to prevent excavation damage to the company's facilities. El Paso's Area Manager had knowledge of repeated encroachments onto their facilities by REX contractors on Spread 4 of the project. However, at no time did the Area Manager respond to, investigate, or correct the cause of the repeated encroachments.

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violations persists up to a maximum of \$1,000,000 for any related series of violations. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation(s) and has recommended that you be preliminarily assessed a civil penalty of \$3,364,000 as follows:

<u>Item number</u>	<u>Penalty</u>
1	\$ 100,000
2	\$ 35,000
3	\$ 100,000
4	\$ 1,000,000

<u>Item number</u>	<u>Penalty</u>
5	\$ 100,000
6	\$ 1,000,000
7	\$ 1,000,000
8	\$ 29,000

Proposed Compliance Order

With respect to items 1, 2, 3, 4, 5, 6, 7, and 8 pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to El Paso Corporation. Please refer to the Proposed Compliance Order, which is enclosed and made a part of this Notice.

Response to this Notice

Enclosed as part of this Notice is a document entitled, "*Response Options for Pipeline Operators in Compliance Proceedings*." Please refer to this document and note the response options. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

In your correspondence on this matter, please refer to **CPF 5-2008-1005** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

Enclosure *Response Options for Pipeline Operators in Compliance Proceedings*

cc: PHP-60 Compliance Registry
PHP-500 P. Katchmar (#118311)

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to El Paso a Compliance Order incorporating the following remedial requirements to ensure the compliance of El Paso with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to El Paso's procedures for making construction records, maps, and operating history available to appropriate operating personnel, El Paso must revise their current procedures to specify that every person required to locate any buried or otherwise not visible structure owned and/or operated by any El Paso company must be provided the most up-to-date copy of the "as-built" drawing of each structure that is in the vicinity of the proposed excavation. These revised procedures must specify the person responsible for compliance with each revision to the procedures.
2. In regard to items 2, 3, 4, 5, and 6 of the Notice, El Paso must establish and follow written procedures for Area Managers or any other responsible manager or supervisor to periodically review the work done by every person required to locate any buried or otherwise not visible structure owned and/or operated by any El Paso company to ensure applicable procedures are understood, are being followed, and are effective. For short term projects of less than one (1) week duration or in the case of a discreet project, such as a project confined to one or two city lots, the interval established can be one time per year not to exceed 15 months for each person. The interval for this periodic review must be established before each project begins and shall be conducted at the established interval throughout each project to ensure compliance. The interval shall be selected based on the life of the project but El Paso must ensure the interval established does not portend a review of less than three (3) times per project. Each review must be specifically and severally documented and kept for review by internal as well as external inspectors.

If, during a periodic review, it is determined that a person is not following a procedure, immediate written notification to PHMSA will be made detailing the specific circumstances surrounding the particular instance as well as El Paso's response to the instance.

3. In regard to item 7 of the Notice, El Paso shall establish an internal procedural review for all managers and supervisors so they will better understand El Paso's Continuing Surveillance procedures. The procedures established shall be designed so all managers and supervisors will better understand and be able to intervene and thereby stop impending situations which may result in a hazard to persons or property.
4. In regard to item 8 of the Notice, El Paso shall establish and document a training and evaluation program for their managerial and supervisory staff that includes possible and actual scenarios where an emergency situation could have been avoided if someone had stopped recurring abnormal behavior with respect to normal pipeline conditions.

El Paso shall maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Director, Western Region, Pipeline and Hazardous Materials Safety Administration. Costs shall be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.